

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
TIDEWATER UTILITIES, INC. FOR THE)
APPROVAL OF THE SEMI-ANNUAL ADJUSTMENT) DOCKET NO. 15-1576
TO THE DISTRIBUTION SYSTEM IMPROVEMENT)
CHARGE PURSUANT TO 26 *DEL. C.* §314)
(FILED NOVEMBER 19, 2015))

ORDER NO. 8833

This 15th day of December 2015, the Delaware Public Service Commission (the "Commission") determines and orders the following:

WHEREAS, on November 19, 2015, Tidewater Utilities, Inc. ("Tidewater") filed an application (the "Application") to implement a "Distribution System Improvement Charge" ("DSIC Rate")¹ pursuant to 26 *Del. C.* §314; and

WHEREAS, the Application requested implementation of a DSIC Rate of 1.06%. The requested DSIC Rate is based on net additional plant of \$1,284,391 and an associated semi-annual depreciation expense of \$9,521; and

WHEREAS, the Commission previously allowed Tidewater's requested DSIC Rate of 0.31% to go into effect on January 1, 2015,² and its requested DSIC Rate of 0.37% to go into effect on July 1, 2015;³ and

WHEREAS, Staff has reviewed the Application and has determined that the requested DSIC Rate of 1.06% is less than a 5% increase in

¹ The DSIC Rate mechanism is described in greater detail in PSC Order No. 5850 dated December 11, 2001.

² See Order No. 8691 (December 16, 2014).

³ See Order No. 8747 (June 2, 2015).

current rates and, therefore, satisfies the requirements of 26 Del. C. §314(b)(7); and

WHEREAS, Staff recommends that the Commission not specifically approve the requested DSIC Rate, but rather permit the requested DSIC Rate to go into effect on January 1, 2016, on an interim basis subject to review, audit, and an annual reconciliation based on the 12-month period ending December 31, 2016 (the "Audit"); and

WHEREAS, Staff further recommends that if the Audit reflects that the requested DSIC Rate was improperly calculated, the Commission should properly revise the requested DSIC Rate and provide an appropriate remedy for any DSIC charges improperly collected.

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. Pursuant to 26 Del. C. §314, the Commission allows the requested DSIC Rate of 1.06% to go into effect on January 1, 2016, on an interim basis and subject to the Audit and our final approval.

2. Pursuant to 26 Del. C. §314(b)(1), Tidewater shall provide information to its customers concerning the requested DSIC Rate.

3. Pursuant to 26 Del. C. §314(b)(8), the Commission reserves jurisdiction and authority to conduct the Audit. Tidewater is put on notice that it may be obligated to refund or reimburse customers if the Audit determines that the requested DSIC Rate was improperly calculated.

4. Tidewater is hereby notified that it will be assessed the costs of this proceeding pursuant to 26 Del. C. §114(b).

5. The Commission reserves the jurisdiction and authority to enter such further orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary